



Notice

30 March 2022

Determination of margin values and Cost_LR parameters for 2022/23

Determination

The Economic Regulation Authority's has published its [determination](#) for the values of three administered ancillary services - spinning reserve, load rejection reserve and system restart – for 2022/23.

The ERA has determined margin values of 11.44 per cent for peak and 6.57 per cent for off-peak spinning reserve settlement parameters.

Load rejection reserve costs are \$4.81 million for 2022/23 and \$1.13 million for the first three months of 2023/24 (for use before the new market design comes into effect in October 2023).

The ERA's determination approves costs proposed by the Australian Energy Market Operator for system restart contracts from 2022/23 to 2024/25.

As a result of the ERA's determination, the cost to market participants for these three ancillary services will be \$22.1 million in 2022/23, an increase of 28 per cent on 2021/22.

The ERA conducted its own modelling and investigation of spinning reserve and load rejection reserve requirements and costs for 2022/23. The modelling approach undertaken by the ERA ensures that its determination provides efficient compensation parameters for the ancillary services.

The Wholesale Electricity Market Rules require the ERA to undertake a public consultation process before making its determination. The ERA published an issues paper on 9 February 2022 for stakeholder feedback and held an online forum on 1 March 2022. One submission was received from Synergy and is available on the ERA [website](#).

In the new Wholesale Electricity Market design ancillary services will be provided by market mechanisms and no longer determined by the ERA.

Further information

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